

CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-04 Medicare Claims Processing	Centers for Medicare & Medicaid Services (CMS)
Transmittal 1306	Date: JULY 20, 2007
	Change Request 5688

SUBJECT: Medicare Part A Skilled Nursing Facility (SNF) Prospective Payment System (PPS) Pricer Update for FY 2008

I. SUMMARY OF CHANGES: This transmittal provides information on the updates to the payment rates used under the PPS for SNFs, for FY 2008, as required by statute.

NEW / REVISED MATERIAL

EFFECTIVE DATE: *October 1, 2007

IMPLEMENTATION DATE: October 1, 2007

Disclaimer for manual changes only: The revision date and transmittal number apply only to red italicized material. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revised information only, and not the entire table of contents.

II. CHANGES IN MANUAL INSTRUCTIONS: (N/A if manual is not updated)

R=REVISED, N=NEW, D=DELETED-*Only One Per Row.*

R/N/D	Chapter / Section / Subsection / Title
N/A	

III. FUNDING:

No additional funding will be provided by CMS; Contractor activities are to be carried out within their FY 2007 operating budgets.

IV. ATTACHMENTS:

Recurring Update Notification

**Unless otherwise specified, the effective date is the date of service.*

Attachment – Recurring Update Notification

Pub. 100-04	Transmittal: 1306	Date: July 20, 2007	Change Request: 5688
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SUBJECT: Medicare Part A Skilled Nursing Facility (SNF) Prospective Payment System (PPS) Pricer Update FY 2008

EFFECTIVE DATE: October 1, 2007

IMPLEMENTATION DATE: October 1, 2007

I. GENERAL INFORMATION

This attachment provides information on the updates to the payment rates used under the PPS for SNFs, for FY 2008, as required by statute.

A. Background: Annual updates to the PPS rates are required by §1888(e) of the Social Security Act, as amended by the Medicare, Medicaid, and SCHIP Balanced Budget Refinement Act of 1999 (the BBRA), and the Medicare, Medicaid and SCHIP Benefits Improvement and Protection Act of 2000 (the BIPA) and the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (the MMA), relating to Medicare payments and consolidated billing for SNFs.

B. Policy: The Centers for Medicare and Medicaid Services (CMS) published the SNF payment rates for FY 2007 (that is, beginning October 1, 2006 through September 30, 2007), in the **Federal Register** on July 31, 2006 (71 FR 43158). CMS published a Correction Notice to the SNF payment rates for FY 2007 on September 29, 2006 (71 FR 57519). The update methodology is identical to that used in the previous year and will include the MMA reimbursement for beneficiaries with AIDS. The statute mandates an update to the Federal rates using the latest SNF full market basket.

The SNF PPS rates will be effective October 1, 2007, and published in the **Federal Register** before that date.

II. BUSINESS REQUIREMENTS TABLE

Use “*Shall*” to denote a mandatory requirement

Number	Requirement	Responsibility (place an “X” in each applicable column)										
		A / B M A C	D M M A C	F I	C A R I E R	D M R C	R H H I	Shared-System Maintainers				OTHER
							F I S S	M C S	V M S	C W F		
5688.1	Medicare systems shall apply the FY 2008 SNF PPS payment rates that are effective for service dates beginning October 1, 2007 through September 30, 2008.							X				SNF PRIC ER

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility (place an “X” in each applicable column)									
		A / B M A C	D M M A C	F I	C A R I E R	D M R C	R H H I	Shared-System Maintainers			
							F I S S	M C S	V M S	C W F	

										F I S S	M C S	V M S	C W F	
5688.2	A provider education article related to this instruction will be available at http://www.cms.hhs.gov/MLNMattersArticles/ shortly after the CR is released. You will receive notification of the article release via the established "MLN Matters" listserv. Contractors shall post this article, or a direct link to this article, on their Web site and include information about it in a listserv message within one week of the availability of the provider education article. In addition, the provider education article shall be included in your next regularly scheduled bulletin. Contractors are free to supplement MLN Matters articles with localized information that would benefit their provider community in billing and administering the Medicare program correctly.	X		X										

IV. SUPPORTING INFORMATION

A. For any recommendations and supporting information associated with listed requirements, use the box below:

Use "Should" to denote a recommendation.

X-Ref Requirement Number	Recommendations or other supporting information:
N/A	

B. For all other recommendations and supporting information, use this space: N/A

V. CONTACTS

Pre-Implementation Contact(s): Jason Kerr, (410) 786-2123 or Jason.Kerr@cms.hhs.gov (for billing related questions); Jeanette Kranacs, (410) 786-9385 or Jeanette.Kranacs@cms.hhs.gov (for policy related questions concerning rate updates)

Post-Implementation Contact(s): Regional Office

VI. FUNDING

A. *For Fiscal Intermediaries, Carriers, and the Durable Medical Equipment Regional Carrier (DMERC)*, use only one of the following statements:

No additional funding will be provided by CMS; contractor activities are to be carried out within their FY 2007 operating budgets.

B. *For Medicare Administrative Contractors (MAC)*, use the following statement:

The contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the Statement of Work (SOW). The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.